REMARKS

Claims 1, 3-8, 11-15 and 26-31 are pending in the application. Claims 1, 3, 4, 6, 7, 11, 30 and 31 have been amended to clarify the present invention. Applicants respectfully request reconsideration of the rejection set forth in the Office Action dated August 4, 2005 in light of the preceding amendments and the following remarks.

The independent claims have been amended and now recite "re-quantizing a first portion of the bitstream including video data using a <u>first re-quantization scheme</u>" and "requantizing a second portion of the bitstream including video data using a <u>second requantization scheme</u> that includes full decoding and re-encoding of the second portion." Support for the amendment can be found throughout the Specification and in particular on: page 5 line 8-28, page 8 line 1-18, Figures 4A and 4C, page 18 line 15-27, and page 19 line 1 to page 21 line 27, for example.

Rejection Under 35 U.S.C. \$103

Claims 1-15 and 26-30 were rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,687,095 to Haskell ('Haskell') in view of U.S. Patent No. 6,208,688 to Seo et al. ('Seo') and in further view of U.S. Patent No. 5,617,142 to Hamilton ('Hamilton').

Applicants respectfully traverse the rejection. The combination: a) uses references that teach against the claims, b) contradicts multiple rules for the combination of references per the MPEP, and c) fails to teach all the limitations in the amended claims.

Haskell describes fast transmission rate matching techniques for multimedia conferencing.

Seo details a method that selects a re-quantization step size.

Hamilton provides an apparatus for changing the compression level of digital information.

First, the rejection uses references that teach against the amended claims. Haskell, in particular, clearly teaches against full decoding and re-encoding as recited in the amended

claims. Specifically, he states "Since decoding as well as encoding processes are required, transcoding is very time-consuming. As a practical matter, the time delay is at least twice that of the end-to-end encoding delay. Such a delay is <u>not tolerable</u> for applications requiring real-time communication, such as multimedia conferencing." See col. 2 lines 46-54. As stated in the MPEP: "Prior Art Must be Considered in its Entirety, Including Disclosures that Teach Away from the Claims" (MPEP 2141.02).

Second, the references teach against combination with each other. Hamilton states that "It would be further advantageous to provide such a scheme that requires only a minimal amount of compression related components at the redistribution sites which receive the high quality satellite signals and redistribute them locally at a higher compression level" (see col. 2. lines 60-67). Combining the references as asserted in the Office Action dated August 04, 2005 would increase complexity, which Hamilton openly teaches against. Haskell, for example, builds a system that adds components and complexity to speed transmission rate matching in a multimedia conferencing environment that requires two-way communications, which would add considerable complexity onto of Hamilton's single direction broadcasts. The rejection thus contradicts another rule in the MPEP for combining references:

"References Cannot be Combined Where the Reference Teaches Away from Their Combination" (MPEP 2145 X.D.2).

For at least these reasons, the rejection is improper.

In addition, all the references are silent on amended combination of features. More specifically, the references - either alone or in combination - fail to teach "a first requantization scheme" and "a second re-quantization scheme that includes full decoding and re-encoding". Haskell openly teaches against full decoding and re-encoding and thus would not combine it with a first re-quantization scheme as recited. See does not teach multiple requantization schemes, he just adapts a single and simple scheme with complex quantization level analysis. Hamilton reduces complexity by using a single and simple re-quantization at a transmission site.

Based on the foregoing, Haskell, Seo and Hamilton do not teach or suggest amended independent claims 1, 26, 30 and 31 and the independent claim are allowable.

Dependent claims 1, 3-8, 11-15 and 27-30 each depend directly from independent claims 1 and 26, respectively, and are therefore respectfully submitted to be patentable over

Haskell for at least the reasons set forth above with respect to the independent claims. Further, the dependent claims recite additional elements which when taken in the context of the claimed invention further patentably distinguish the art of record.

Withdrawal of the rejection under 35 USC 103(a) is therefore respectfully requested.

Applicants believe that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

Applicants hereby petition for an extension of time which may be required to maintain the pendency of this case, and any required fee for such extension or any further fee required in connection with the filing of this Response is to be charged to Deposit Account No. 50-0388 (Order No. CISCP158).

Respectfully submitted,

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